

UNITY FOR A NEW ORDER

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Your Excellencies, Ladies and Gentlemen.

It is my duty and my pleasure to welcome this meeting, and every one of you, to Tanzania and to Arusha. I suspect that some of you may have found that your accommodation gives you too frequent a reminder that this meeting is being held in an under-developed country. I want to assure you that we tried hard! I hope, however, that you will not find your rooms or the facilities so unsatisfactory that you cannot do your work properly. I also hope that there will be an opportunity for you to see something of Tanzania. We have a lovely country, and we would like you to enjoy your stay here as well as to serve your countries and the whole Third World.

The Agenda of your Conference is very long; it deals with very important matters. Many technical questions are involved, in which details and percentages can mean the difference between the usefulness or otherwise of a proposal or suggested negotiating position. And these details are the reality of working for a New International Economic Order; unless careful attention is given to them (especially by those entrusted with negotiating power) the Third World demands are mere rhetoric.

But there is also a danger in details. When a Third World negotiator has, after exhausting hours of argument, pushed the other side of the table from 30% to 45% he will feel a sense of achievement, and urge acceptance upon his colleagues. We should all sympathise! I am not a military man. But I am told that an Army Commander looks at a platoon's advance in the light of its effect on the total battle front. If that advance can be held without cost, or can be used to harrass the opposing forces—fine! But if it exposes his troops pointlessly, or weakens the general strategy, then he congratulates the Platoon Commander and his men, and tells them to withdraw again.

At this Conference you will be looking at the details of past and present negotiations in relation to the aim of securing fundamental changes in the present International Economic Order. I do not propose to comment! The delegates here are much better equipped than I am to assess the negotiations about a Common Fund, changes in the power structure of world financial institutions, tariff and other restrictions on Third World trade, and so on. All that I intend to do is to share with you some thoughts about the future.

Our need for one voice:

The Group of 77 developed out of a felt need for the Third World to speak with one voice at UNCTAD Conferences and other meetings concerned with world economic matters. It was our separate weakness which impelled us towards multilateral consultations, and which has caused forty more nations to join Group of 77 Meetings since Algiers in 1967. Whatever the economic philosophy of our nations, we had all found that individual efforts to develop our own national economy kept running into a solid wall of power—the power of the rich nations and the rich transnational corporations.

Newly de-colonised nations, and the older countries of Latin America, had all inherited the same idea from the dominant Euro-American culture: work hard and you will become prosperous. Gradually we all discovered that hard work and prosperity were not cause and effect; something external to ourselves always seemed to break the reputed connection! The so-called neutrality of the world market place turned out to be a neutrality between the exploiter and the exploited, between a bird of prey and its victim. If in our effort to find resources for survival—let alone development—we carried out the textbook procedures for raising capital, we always seemed to end up under the virtual control of the transnational corporations or subject to I.M.F. deflationary policies—or both. We did not achieve progress; we simply moved from the frying pan into the deep-freezer! Even if we tried to do nothing

except sell our traditional exports and buy our traditional imports, we found that we could buy less and less with more and more of our hard work.

So we came together in order to negotiate with the industrialised states for changes in the laws and practices of world exchange and finance. The present system has been developed by the industrialised states to serve their purposes. This is a matter of historical fact, not a moral judgement! The result is that the group of industrialised nations—which do act as a group when dealing with outsiders—control the levers of international exchange and finance, and also control the wealth accumulated through centuries of colonialism, gun-boat diplomacy, and an initial advantage in mass production techniques. Once again I am stating facts, not making moral judgements. If morality enters into the matter—as I believe it does—it refers to the future. For we, the Third World, are now demanding that the systems which make the rich richer and the poor poorer must be changed to keep pace with other changes in the world—the ending of colonialism, the advance of technology, and mankind's new consciousness of human equality and human dignity.

We make this demand, as the Third World, in full awareness of certain basic facts, and because of them. 70% of the world's population—the Third World—commands together no more than 12% of the Gross World Product. 80% of the world's trade and investment, 93% of its industry, and almost 100% of its research is controlled—in the words of Barbara Ward—by the industrial rich. The income gap is getting wider, even between the industrialised and the so-called 'higher-income' Third World countries. The Third World still does most of its trade with the developed nations; its transport links are predominantly with the developed world; the technology it uses is technology developed by and for the developed world—which also controls its use.

A Unity of Nationalisms:

In other words, the Third World nations did not shape the world's institutions of production and exchange and have virtually no say in them. But we are dominated by them.

It is this domination by forces over which we have no control that each one of us has rejected. And our coming together in the Group of 77 has the purpose of enabling us to deal on terms of greater equality with an existing Centre of Power. Ours is basically a unity of opposition. And it is a unity of nationalisms.

For it was our separate nationalisms which caused us to come together, not the ideals of human brotherhood, or human equality, or love for each other. The immediate reason for each nation joining the Group of 77 depended on the point at which it had experienced the economic frustrations of power external to itself. Whether it wanted to "be developed", or "be industrialised", or "to overcome poverty", or even just to be able to operate as an independent nation, it wanted to do that thing while remaining African, Latin American, or Asian—and within those groups, Tanzanian, Argentinian or Malaysian. It was practical experience of the fact that legal independence did not mean economic freedom which made most of us think in terms of co-operating with others similarly placed.

I stress the fact that it was our nationalism which has forced us together because we have to understand ourselves in order to achieve our purposes. The Group of 77 does not share an ideology. Some of us are avowedly "Scientific" Socialists, some just plain socialist, some capitalist, some theocratic, and some fascist! We are not necessarily friendly with each other—some countries represented here are currently engaged in a war with each other. Our National Income per head varies from about \$ 100 a year to \$ 2,000 a year. Some of us have minerals, some do not; some of us are landlocked and others are isolated in huge oceans. The Group of 77 cannot be defined by any of these or any other economic, social, or ideological categories—membership cuts across them all.

The immediate interests, and the negotiating priorities, of different Group of 77 members are therefore very different. Consequently, there is a tendency for sub-groups to develop within the Group of 77. We have OPEC, the Most Ser-

iously Affected, the Least Developed, the Newly Industrialised Countries, the Landlocked, and so on; sometimes these classifications are made by us and sometimes by others but accepted by us for working purposes. For this kind of sub-division of the Group of 77 can be useful; it enables us to carry on particular detailed negotiations with the industrialised countries, and it also helps us to ensure that all interests within the Group of 77 are covered in the working out of our general strategy.

But this kind of sub-division is also very dangerous. Sub-groups inevitably develop their own internal accommodations and their own sense of unity—which can become a unity against the other sub-groups rather than with them against the existing world order. When this happens it becomes difficult to use a negotiating advantage in one area to make a break-through in an area where the advantage is with the other side of the table. "Divide and Rule" is an old technique of domination; the developed nations are not unaware of its usefulness.

The unity in our diversity:

But our diversity exists in the context of one common and over-riding experience. What we have in common is that we are all, in relation to the developed world, dependent—not interdependent—nations. Each of our economies has developed as a by-product and a subsidiary of development in the industrialised North, and is externally oriented. We are not the prime movers of our own destiny. We are ashamed to admit it; but economically we are dependencies —semi-colonies at best —not sovereign states.

This is true for every one of us represented here. The members of OPEC united and set the price of oil in 1973. This historic action shook the world, greatly improved the bargaining power of the oil exporting countries and encouraged other primary producers. But since then OPEC has learned, and we have all learned once again, that however powerful it is, a single trade union which only

covers one section of a total enterprise cannot change the fundamental relationship between Employers and Employees.

Then there are the Third World giants—India, Indonesia and Brazil. If these three countries, representing about 900 million people, were to separate themselves from other Third World countries and speak as one, they would still not be able to escape from the reality of domination by the group of developed countries—at best they could get marginal and temporary concessions. For the reality is that the unity of even the most powerful of the sub-groups within the Third World is not sufficient to allow its members to become full actors, rather than reactors, in the world economic system. The unity of the entire Third World is necessary for the achievement of fundamental change in the present world economic arrangements.

Yet the pressures towards disunity are strong. The more advantageously placed among the Group of 77 are being flattered and wooed and offered concessions in this or that matter which is of immediate interest to them. And there are forces within every sub-group—from OPEC to the Least Privileged—which are inclined to take offers of special treatment, or special representation, and then—instead of using these as a base for further Third World advance—to lose interest in the wider struggle. Those forces have not yet won within any country, but it would be stupid to pretend that they do not exist. For they will not just disappear. We are all feeling the cold winds of a European recession, and in our desperation there is a strong temptation to look inwards to ourselves as individual nations rather than inwards to our group as a whole.

Your Excellencies: I have been saying out loud some of the things which are being said privately. I have done so because a danger can be dealt with only when it is acknowledged. And disunity would be a terrible set-back to the prospects of all of us, and would mean discarding a great potential source of power. For the diversity

within the Third World could be our strength rather than our weakness if we can hold to our political decision for unity in negotiation and in action.

The choice is not either/or:

Sometimes we politicians talk as if change in the present world economic order has to come **either** through Dialogue, or through Confrontation with the rich nations. I have done this myself when talking in developed countries. For it is a kind of shorthand—a quick way of pointing out that what is true within countries is also true between countries. If there is not planned change in the old order then confrontation is inevitable, nationally and internationally. But we have gone on from there, and talked as if the Third World had to make a strategic choice between negotiating and declaring all-out economic war on the rich states. On that basis we have become very apologetic—to our own people and to others. When participating in Dialogue we become apologetic, as if to negotiate is somehow to surrender or to soften about the objective. And if Dialogue gets us no-where we become apologetic about confrontation, as if we were being unreasonable—even irrational—and provoking an all-out economic war which we cannot win.

I do not believe that is the kind of choice we face. We do not have to choose between Dialogue and Confrontation with the rich: there is no reason why we should be apologetic about negotiating, or about refusing to go on with a particular discussion and resorting to direct action. Ours is a kind of Trade Union of the Poor. Sometimes—perhaps most of the time—we will negotiate about different aspects of the demand for a New International Economic Order and settle for the best compromise we can reach at that time. Sometimes, however, we may be forced to call a strike in order to show that certain things are no longer acceptable!

But a Trade Union is strong in proportion to its unity. And when deciding upon the acceptability or otherwise of any potential compromise we have to recognise political realities—in our case all 117 of them. For the Third World

does not have a strike fund, and hunger strikes are not the weapon of the starving. Asking countries like Zambia and Chile to stop exporting copper to the industrialised nations, for example, is asking them to commit suicide. Their Governments will naturally not agree to do that, and asking them to do so would therefore be equivalent to breaking the unity of the Third World. This weakness of ours can be exaggerated. But our conditions are well known to the developed nations; threatening talk of confrontation as an alternative to dialogue does not frighten them.

But it is also true that the kind of dialogue we have been conducting—at UNCTAD, Paris, Geneva, New York and everywhere else—has brought no fundamental changes in the world economic order. This is not to say that it has been useless. There are now groups of people, and even small nations, in the industrialised world which have realised that the present inequities cannot be allowed to continue, and that planned change is necessary in their own interests as well as ours. That is a helpful movement. But the problem remains; we have not succeeded in changing the structure of power. The world order still works against the interests of the poor.

I believe this unsatisfactory result from our efforts is because we have been making the mistake of acting as if negotiation is exclusively a matter of reason and morality, which has nothing to do with the strength of the participants. The truth is that we need power to negotiate, just as we need power to go on strike. So far we have been negotiating as noisy and importunate supplicants. We need to negotiate from a position of steadily increasing power.

What can we do?

The basic question we should be asking ourselves now, after years of hard talking and little progress, is this. What can we do, among ourselves, to strengthen our position in future negotiations?

My first answer is just what I have been saying until now. We must maintain and strengthen our unity. We must ensure that we continue to speak with one voice and that

none of us makes a separate bilateral or multilateral deal which weakens the overall Third World bargaining position. This will not get easier as time goes on.

In all our countries there are groups which identify themselves with the powerful and privileged of the world and who aim only to join them—regardless of the poor in their own nation and elsewhere. In all our countries there are those who have no patience with international negotiations or agreements. In Governments, and as Oppositions, the Third World has reactionaries and radicals of different gradations. If we are to maintain Third World unity we all have to work together when operating within non-Third World organisations for Third World objectives.

I do not believe this means that we must never protest about brutality, tyranny, and racism within the Third World; that would be intolerable—and it would not serve the interests of our peoples. It does mean, however, that we may have to co-operate functionally with governments which we intensely dislike and disapprove of. For the object is to complete the liberation of the Third World countries from external domination. That is the basic meaning of the New International Economic Order. And unity is our instrument—our only instrument—of liberation.

But we have to do more than stand united when negotiating as the Group of 77. We have to work together; our nations have to co-operate economically. This is where the diversity of the Third World can be our strength also.

We have to build up trade among ourselves, and we have to do this quite deliberately. For it will not happen through the workings of *laissez faire*. We each have to search out the possibilities of purchase from other Third World nations, or sale to other Third World nations.

We have to co-operate in establishing Third World Multinational Corporations, owned by us and controlled by us, to serve our purposes and to remain independent of the great Transnational Corporations which now dominate

the world economic scene. We need Third World Shipping Lines to carry our goods, to open new links between us—and to break the strangling monopoly of the Conference Lines. We need Third World international insurance; it is absurd that our reinsurance premiums should provide capital for the industrialised world. We need to have institutions of research and development directed at serving our needs and developing our resources. We need to plan jointly-owned industries when our separate markets are too small for the economic viability of certain production processes. And it may be that we should be considering the idea of having our own Third World financial clearing institutions instead of paying each other through London, New York, or Paris.

All these things are possible on three conditions. That there is, on balance, equal benefit for all the participating Third World countries in each package of co-operation. That we treat obligations—financial or commercial—to each other as seriously as we treat those to the rich and powerful nations, or even more seriously. And that we should all give preference to Third World institutions when these compete with those of the industrialised world.

Building up Third World self-reliance, nationally and collectively, is not a miraculous answer to our problems. It will take time—a long time. And it will be very difficult. Certainly Tanzania is not the one to under-estimate the difficulties of this prescription: East Africa is an example of a tragic failure in Third World co-operation. There have been other failures, and there may be more in the future. Yet every successful effort at co-operation strengthens the whole Third World in its dealings with the developed world. We must all keep trying. And we must all encourage and give what help we can to every attempt which is made, whether it is functional or general, neighbourly, regional, or inter-continental. All that we should ask before giving our backing, is that it is a truly Third World co-operative effort, and that it is designed to strengthen the independence and the economy of Third World countries.

This question is on your Agenda. Economic Co-operation among Developing Countries is Item 18! Yet this position on the Agenda need not matter too much; co-operation among ourselves can be a feature of the discussion on almost any subject if the approach is always "what can we do among ourselves, for ourselves?". And there are corridors in this building!

Preparation for Negotiations:

The final point I wish to mention is not on your Agenda at all. But I am sometimes appalled by the handicap under which Third World negotiators enter into important meetings—either among ourselves or with others. We in Tanzania take these questions fairly seriously, yet our delegates have very little help. They get, from Tanzanian economists who have very heavy domestic responsibilities, a short Paper commenting on the major issues; they read articles in international journals; and they have the Papers which UNCTAD staffs present to us all. I believe a similar situation exists for most, if not all, Third World delegations to U.N. or North/South meetings. And with this kind of support they go to meet highly experienced people, armed with all the preparatory material done by sophisticated domestic and O.E.C.D. staffs and their computers!

Many dedicated Third World experts work for UNCTAD, and other staff members see the need for changes in the international system of exchange and finance. But UNCTAD is, by definition, a world organization. One job of its staff is to help meetings to reach agreement. It is the job of the Third World to develop and state its own position.

The same lack of technical preparation may be hindering our efforts to expand economic co-operation among ourselves. It is at present no-one's job to search out potential areas of co-operation and present them to our overworked Ministers, and then follow up an interest. Once again, UNCTAD and other United Nations servants are helpful; we owe a lot to them. But some members of the U.N. appear to have their own feelings about U.N. secretariats serving the interests of one side—even the weaker side—in a world negotiation!

There is considerable suspicion about international bureaucracies and new institutions—I am not immune myself! They tend to be very expensive, especially if the staffs are paid at what are called “international standards”—which usually means the highest wages anywhere! But it may be that the Group of 77 should be looking again at this question of whether it needs its own full-time economists and other professional people as a technical aid to the policy-makers and negotiators. I would only add that, if we decide this to be the case, then we must pay for that technical office ourselves. He who pays the piper calls the tune!

Change is a Process:

Your Excellencies. As I understand it, our purpose in the Group of 77 is to try to secure changes in the world's economic arrangements because we see these as unfair, detrimental to our interests, and indeed contrary to the interests of world stability and progress. Our goal is economic liberation, and on that goal there can be no compromise. But during the process of liberation it may sometimes be necessary to compromise; we have no desire to contract out of the world in which we live.

I have been arguing that to achieve our purposes we need to maintain and even strengthen our unity in the Group of 77, and to expand functional co-operation among ourselves. Nothing I have said is new. It can only be a reminder of well-known truths as you embark upon your labours.

For there are no miraculous answers to our problems. Changing the world order is a Process. It can be speeded; it can be directed; and it can be made less turbulent. But it will remain a process. The next UNCTAD Conference—for which you are preparing yourselves—is an event along the way. Your preparations for it should also be preparations for later stages in the process we are trying to influence.

Thank you. My best wishes for your Meeting.